

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00  
DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05 L-03  
LAB-04 NSAE-00 PA-02 CTME-00 AID-05 SS-15 STR-07  
ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 NSCE-00  
SSO-00 ICAE-00 INRE-00 JUSE-00 /097 R

DRAFTED BY EUR/EE:TGERTH:JF

APPROVED BY EUR/EE:CWSCHMIDT

-----063054 081801Z /14

O 081745Z APR 78

FM SECSTATE WASHDC

TO AMEMBASSY BUDAPEST IMMEDIATE

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E.O. 11652: N/A

TAGS: PERP, EEWT, HU, US

SUBJECT: HUNGARIAN TRADE AGREEMENT - WHITE HOUSE PRESS  
RELEASE

1. FOLLOWING IS THE TEXT OF APRIL 7 WHITE HOUSE PRESS RE-  
LEASE (ATTACHED DOCUMENTATION BEING SENT SEPTELS).

2. BEGIN TEXT: "PRESIDENT CARTER TODAY SIGNED AND SENT TO  
THE SPEAKER OF THE HOUSE AND THE PRESIDENT OF THE SENATE A  
SERIES OF DOCUMENTS RELATING TO A TRADE AGREEMENT WITH HUN-  
GARY. THE AGREEMENT WAS NEGOTIATED EARLIER THIS YEAR AND  
SIGNED IN BUDAPEST ON MARCH 17 BY US AMBASSADOR TO HUNGARY  
PHILIP KAISER AND HUNGARIAN MINISTER FOR FOREIGN TRADE  
JOZSEF BIRO.

3. UNDER THE TRADE ACT THE UNITED STATES MUST CONCLUDE A  
TRADE AGREEMENT WITH A NONMARKET-ECONOMY COUNTRY BEFORE  
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MOST FAVORED NATION (MFN) TARIFF TREATMENT CAN BE EXTENDED.  
THE TRADE ACT REQUIRES THE CONCURRENCE OF BOTH HOUSES OF  
CONGRESS BEFORE THE AGREEMENT CAN TAKE EFFECT. THIS AGREE-  
MENT WITH HUNGARY PROVIDES FOR MFN TREATMENT ON A RECIPROCAL  
BASIS, FOR BUSINESS FACILITIES, MARKET DISRUPTION SAFE-  
GUARDS, AND OTHER MEASURES AS REQUIRED BY THE TRADE ACT.

THIS STEP IS INTENDED TO PROMOTE THE CONTINUED DEVELOPMENT OF ECONOMIC RELATIONS BETWEEN THE TWO COUNTRIES, AND IT MARKS FURTHER PROGRESS IN THE IMPROVEMENT OF US-HUNGARIAN RELATIONS.

4. SECTION 402 OF THE TRADE ACT (THE JACKSON-VANIK AMENDMENT) REQUIRES THAT THE PRESIDENT REPORT TO CONGRESS THAT HE HAS RECEIVED ASSURANCES REGARDING THE FUTURE EMIGRATION PRACTICE OF COUNTRIES INVOLVED. IN HIS LETTERS TO THE CONGRESSIONAL LEADERS, THE PRESIDENT NOTES THAT HUNGARY HAS FOLLOWED A GENERALLY POSITIVE POLICY ON EMIGRATION, THAT CONVERSATIONS ON THE SUBJECT BETWEEN THE US AND HUNGARIAN GOVERNMENTS HAVE TAKEN PLACE REGULARLY FOR WELL OVER A YEAR, AND THE HUNGARIAN GOVERNMENT HAS STATED "THAT ITS POLICY IS, AND WILL CONTINUE TO BE, TO DEAL WITH EMIGRATION MATTERS IN A RESPONSIVE AND HUMANITARIAN WAY." ON THESE GROUNDS, THE PRESIDENT HAS ISSUED A WAIVER AS REQUIRED BY THE TRADE ACT.

5. POLAND AND YUGOSLAVIA HAVE HAD MFN TARIFF TREATMENT FOR SEVERAL YEARS; AND THE US NEGOTIATED A TRADE AGREEMENT PROVIDING MFN TREATMENT TO ROMANIA IN 1975 UNDER TERMS OF THE TRADE ACT. IN 1977 US EXPORTS TO HUNGARY WERE VALUED AT \$80 MILLION WHILE IMPORTS WERE \$47 MILLION." END TEXT.  
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## Message Attributes

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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014